

## REMARKS

### Claim Status

Claims 1-28 are pending in the present application.

Claim 1-3, 6, 8, 9, 12, 15 and 16 have been amended per the Examiner's helpful suggestions. Claims 17 and 21 have been amended to broaden their scope. No forfeiture of equivalents is intended. For example, claim 17 now recites "steganographic encoding" instead of a digital watermark, and claim 21 recites a "machine-readable code" instead of a digital watermark. Claim 20 has been amended to better conform to amended claim 17, and claim 22 has been amended to better conform to amended claim 21.

Claims 24-28 are newly presented. Some of these claims specify that the encoding of claim 17 comprises digital watermarking (claim 26) and the machine-readable code of claim 21 comprises steganographic encoding (claim 24) and digital watermarking (claim 25). Others of the claims specify the types of items (claims 27 and 28).

Applicant submits that no new matter has been added by this amendment.

### Specification

The specification has been amended according to the Examiner's helpful suggestions. The paragraphs on page 4 and 7 have also been corrected to address obvious typographical errors.

### Drawings

The specification has been amended to include reference "202A" (see the amendment to page 5 above). Withdrawal of the corresponding drawing objection is requested.

As to the objection under 37 CFR 1.84(o), the Office Action fails to state which drawings are objected to, and why the drawings are not approved (or which legends are required). Clarification is requested before applicant can comply with the request.

Moreover, applicant respectfully submits that the drawings comply with the stated requirements in 37 CFR 1.84(o):

Legends. Suitable descriptive legends may be used subject to approval by the Office, or may be required by the examiner where necessary for understanding of the drawing. They should contain as few words as possible.

Favorable reconsideration is requested.

#### Art-Based Rejection

Claims 1-23 stand rejected as being unpatentable over Hudson (U.S. Patent No. 5,768,759) in view of Rhoads (U.S. Patent No. 6,614,914). We respectfully traverse these rejections.

#### ***Rhoads Should be Disqualified as a Prior Art Reference***

The Rhoads patent can only be applied against the present invention as 102(e)/103 art. Thus, Rhoads should be disqualified as a prior art reference according to 35 U.S. C. 103(c) (see, e.g., MPEP 706.02(1)(1) and 706.02(1)(2)). A statement regarding common ownership is provided below:

The subject application (i.e., 09/854,408) and the Rhoads patent (i.e., 6,614,914) were, at the time the invention of the subject application was made, owned by or subject to an obligation of assignment to Digimarc Corporation.

Removal of the Rhoads patent as a prior art reference and allowance of the rejected claims are respectfully requested.

#### A few comments regarding the deficiencies of Hudson:

##### *Claim 17*

Claim 17 recites a method for controlling placement of a first part on a second part. The first part includes steganographic encoding redundantly provided thereon, with the steganographic encoding including an orientation component.

Of course, the steganographic encoding is machine-readable.

Hudson fails to disclose a system which senses a redundant instance of machine-readable steganographic encoding from a first part to help control its placement on a second part, as recited by claim 17.

Instead, Hudson uses an elaborate mirror system to determine physical dimensions of part (see, e.g., col. 5, lines 2-19, Fig. 3, and Col. 7).

Claim 17 further recites determining an orientation of the first part through reference to at least the orientation component of the steganographic encoding; and controlling placement of the first part on the second part through reference to at least the determined orientation of the first part.

There is no teaching, suggestion or motivation within Hudson to use a steganographic, machine-readable orientation component to assist with placement of a first part on a second part. Instead of using a steganographic orientation component, Hudson chooses to use an elaborate mirror system and edge detection.

#### *Claim 21*

Claim 21 recites a robot for handling items. The robot includes an image sensor for sensing image data of an item including a machine-readable code provided on a surface thereof. The machine-readable code includes an orientation component.

As discussed above, Hudson does not contemplate a system that uses machine-readable codes on items. More particularly, Hudson fails to teach or suggest using a machine-readable orientation component to help provide position information.

#### *Remaining Claims*

Hudson is also deficient in teaching or suggesting the combinations of the remaining claims. Favorable consideration is requested.

#### Information Disclosure Statement

An Information Disclosure Statement and Form 1449 are filed concurrently herewith. Consideration of the information cited therein is respectfully requested.

Conclusion

The application is believed to be in condition for allowance. Nevertheless, the Examiner is invited to telephone the undersigned at 503-469-4685 if any questions remain.

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Respectfully submitted,

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